

Federal Communications Commission

§ 61.45

completion of the base period in which they are introduced.

[54 FR 19842, May 8, 1989, as amended at 55 FR 42382, Oct. 19, 1990; 55 FR 50558, Dec. 7, 1990; 56 FR 5956, Feb. 14, 1991; 56 FR 55239, Oct. 25, 1991; 57 FR 54718, Nov. 20, 1992; 58 FR 7868, Feb. 10, 1993; 58 FR 29552, May 21, 1993; 58 FR 31914, June 7, 1993; 58 FR 36145, July 6, 1993; 59 FR 10301, Mar. 4, 1994; 59 FR 32930, June 27, 1994; 60 FR 4569, Jan. 24, 1995; 60 FR 13639, Mar. 14, 1995; 60 FR 52346, Oct. 6, 1995; 62 FR 31930, June 11, 1997; 64 FR 46589, Aug. 26, 1999; 64 FR 51265, Sept. 22, 1999]

EFFECTIVE DATE NOTE: At 64 FR 51265, Sept. 22, 1999, § 61.42 was amended by redesignating paragraph (d)(4) as (d)(4)(i) and adding paragraph (d)(4)(ii), effective Oct. 22, 1999.

§ 61.43 Annual price cap filings required.

Carriers subject to price cap regulation shall submit annual price cap tariff filings that propose rates for the upcoming tariff year, that make appropriate adjustments to their PCI, API, and SBI values pursuant to §§ 61.45 through 61.47, and that incorporate new services into the PCI, API, or SBI calculations pursuant to §§ 61.45(g), 61.46(b), and 61.47 (b) and (c). Carriers may propose rate, PCI, or other tariff changes more often than annually, consistent with the requirements of § 61.59.

[64 FR 46589, Aug. 26, 1999]

§ 61.44 [Reserved]

§ 61.45 Adjustments to the PCI for Local Exchange Carriers.

(a) Local exchange carriers subject to price cap regulation shall file adjustments to the PCI for each basket as part of the annual price cap tariff filing, and shall maintain updated PCIs to reflect the effect of mid-year exogenous cost changes.

(b)(1)(i) Adjustments to local exchange carrier PCIs, in those carriers' annual access tariff filings, for the traffic-sensitive basket described in § 61.42(d)(2), the trunking basket described in § 61.42(d)(3), and the marketing expense basket described in § 61.42(d)(6), shall be made pursuant to the following formula:

$$PCI_t = PCI_{t-1} [1 + w(GDP-PI - X) + \Delta Z / R]$$

Where

GDP-PI = the percentage change in the GDP-PI between the quarter ending six months prior to the effective date of the new annual tariff and the corresponding quarter of the previous year,

X = 6.5%,

ΔZ = the dollar effect of current regulatory changes when compared to the regulations in effect at the time the PCI was updated to PCI_{t-1} , measured at base period level of operations,

R = an amount calculated by multiplying base period quantities for each rate element in the basket by the price for that rate element at the time the PCI was updated to PCI_{t-1} , inclusive of the products of base period quantities for each PCCC established in § 69.153 of this Chapter and the portion of that PCCC that is associated with the basket, and summing the results,

w = R + ΔZ , all divided by R,

PCI_t = the new PCI value, and

PCI_{t-1} = the immediately preceding PCI value.

(ii) Adjustments to local exchange carrier PCIs for the interexchange basket described in § 61.42(d)(4), in those carriers' annual access tariff filings, shall be made pursuant to the following formula:

$$PCI_t = PCI_{t-1} [1 + w(GDP-PI - X) + \Delta Z / R + \Delta Y / R]$$

Where

w = R - (access rate in effect at the time the PCI was updated to PCI_{t-1} , multiplied by base period demand) + ΔZ , all divided by R,

X = 3.0 percent,

ΔY = (new access rate - access rate at the time the PCI was updated to PCI_{t-1}) × (base period demand), and all other terms are defined in paragraph (b)(1)(i) of this section.

(2) Adjustments to local exchange carrier PCIs, in tariff filings other than the annual access tariff filing, for the traffic-sensitive basket described in § 61.42(d)(2), the trunking basket described in § 61.42(d)(3), the interexchange basket described in § 61.42(d)(4), and the marketing expense basket described in § 61.42(d)(6), shall be made pursuant to the formulas set forth in paragraph (b)(1) of this section, except that the "w(GDP-PI - X)" component of those PCI formulas shall not be employed.

(c)(1) In the event that a local exchange carrier imposes a per-minute carrier common line charge pursuant to § 69.154 of this chapter, and subject